

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE REPORT
MONDAY, APRIL 9, 2001

Present: Ald. Coletti, Chairman; Ald. Gerst, Ciccone, Bullwinkle and Schnipper

Absent: Ald. Bryson, Parker and R. Lipof

Also Present: Ald. Lipsitt and Salvucci; David Wilkinson (Comptroller), Re Cappoli (Chief Procurement Officer), Sandy Pooler (Chief Budget Officer), Mike Rourke (Chief Administrative Officer), Nick Parnell (Public Buildings Commissioner)

#104-01 HIS HONOR THE MAYOR appointing RE CAPPOLI as CHIEF PROCUREMENT OFFICER, pursuant to Sec. 3-3(a) of the City Charter, effective April 18, 2001 (30-day Board action date 5/1/01).

ACTION: **APPROVED 5-0**

NOTE: Mike Rourke and Re Cappoli were present at the meeting. A letter dated April 13th, submitted to the Committee, indicated that effective April 18th, the Mayor appointed Ms. Cappoli as Chief Procurement Officer. Ms. Cappoli is well qualified, with over twenty-four years of experience in purchasing and procurement. She has been the Assistant Procurement Officer for the City since 1997. During her tenure, Ms. Cappoli implemented the telephone and postage transfer billing system reducing charges in the department. In addition to her regular duties, Ms. Cappoli participated in management meetings and training sessions, enhancing customer service and efficiency throughout the City. Her resume is excellent, with tremendous experience as a Purchasing Agent in California, a Contract Officer for the FDIC in Massachusetts and Assistant Procurement Officer for the City of Newton. Ms. Cappoli is attending Northeastern University and will complete her degree in Purchasing Management within a year.

The Committee discussed the City's future purchases of telecommunications equipment and Chapter 30B, covering public bidding with Ms. Cappoli. Her wit is excellent and her answers to the Committee's questions were precise and informative. The Chairman felt this was an appointment the Board would be comfortable with and the Finance Committee, which is the committee Ms. Cappoli will interact with, was impressed with her efficiency and her strong sense of commitment to the City. With that, a motion was made to approve and carried 5-0.

#105-01 HIS HONOR THE MAYOR requesting establishing a CITY OF NEWTON CAMPERSHIP REVOLVING FUND with an annual expenditure limit of \$10,000. Said fund will be utilized to provide assistance with camping expenses for children from very low-income families that otherwise would not be able to attend camp.

ACTION: **APPROVED 5-0**

#105-01(2) HIS HONOR THE MAYOR requesting acceptance of and authorization to expend funds in the amount of \$2,000, received as a private donation to the CAMPERSHIP REVOLVING FUND.

ACTION: **NAN 5-0**

NOTE: A letter from the Mayor dated March 27th was presented. A donation of \$2,000 was received and its intent is to allow low income family children to attend summer camp. The City intends to solicit additional donations. A second letter dated February 22nd was also submitted by Diana Patten indicating that the City has created a City of Newton Campership Fund. The first donation has come in and the benefit of this fund is that it will help provide children with camping stipends, children who otherwise would not be able to attend a summer camp.

The Committee was impressed and was interested in understanding what the income requirements are since the wording of the documents indicated very low family income. The Committee was informed that the information would be submitted to the Clerk in regards to the income requirements in order to participate. Obviously with only \$10,000 (and this being overnight camp), there would not be that many campership fund stipends available to be given out (in its initial fund start-up), but at some point this would be a wonderful source for assisting children to go to summer camp. The program will be administrated by the Human Services Director and the Committee was receptive to the establishment of this fund. The Committee voted 5-0 to approve the establishment of the fund.

There was an accompanying item (#105-01(2) \$2,000 donation for Campership Fund) for the above. Since the Committee approved creation of a revolving fund there is no requirement for the acceptance and authorization to expend the donation, because it will automatically be deposited into the above revolving fund. Therefore, #105-01(2) was moved and approved as no action necessary 5-0.

#106-01 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$181,436 from Salary Reserve in order to fund the cost items set forth in the labor contract agreed upon with the AFSCME City Hall Associates (Local 3092) union. This contract follows a base wage adjustment pattern of 3% in each of 3 years (FY01 through FY03).

ACTION: **APPROVED AS AMENDED @\$275,189 5-0 (SEE ATTACHED LETTER FROM MAYOR DATED 4/6/01)**

NOTE: This is for the funding of the labor contract agreed upon between the City Hall Local 3092, a three-year contract. The Committee took a few minutes with Mike Rourke to review the settlement. There are currently 203 employees in the City of Newton who are covered by Local 3092. Basically, the City has put on the table a very similar contract to the contracts, which have been approved recently. The City has approximately six, maybe seven contracts left to settle. Basically a Memorandum of Settlement was included in the backup to the Committee, dealing with the specifics (a 3% increase on July 1, 2000, 3% on July 1, 2001, 3% on July 1, 2002 and an 8-Step implemented retroactive to April 1, 2001 on the step table for employees). They are creating an additional step in order for the workers to continue to get a step increase, along with their cost of living, before they max out their particular salary grade. There was documentation presented regarding longevity, overtime, shift premium and clothing allowance, which were pretty much standard. The Committee reviewed and basically looked at the total package and as it reflects the other contracts, felt this was a very comfortable settlement.

A document dated April 6, 2001 (attached to the backup) had the break out of the actual members. The amount will be \$262,554 from Salary Reserve, \$11,552 from Sewer Surplus and \$1,083 from Water Surplus in order to fund the costs of this labor contract. With that the Committee was receptive to the settlement and approval of the contract. Motion was made and carried 5-0.

REFERRED TO PUB.FACIL., PROG&SERV, AND FINANCE COMMITTEES

#268-00(B) **HIS HONOR THE MAYOR** requesting authorization to appropriate and expend \$89,220,407 for the purpose of funding the construction and renovation of Newton North and South High Schools, which source of funding will be the issuance of long term debt. **(Public Hearing held 1/10/01.)**

PROG. & SERV. APPROVED 5-0 ON 4/4/01

PUBFAC APPROVED 5-0 ON 4/4/01 SUBJECT TO SECOND CALL

ACTION: APPROVED 4-0-1 (BULLWINKLE ABSTAINING)

NOTE: Once again the architects, Carl Franceschi and other people representing the design team and monitoring team were present. Representatives of various school department offices and agencies and committees which oversee schools were also present.

The Committee had a presentation first by Sandy Pooler regarding the financing plan. The Committee then had a presentation by Nick Parnell regarding the phasing and the construction details regarding how the money will be allocated and spent during the construction of Phases I through III at Newton South and then how window replacement and other small items at Newton North during the same period around 2004 -2005 in order to prepare North for further renovations, once some students are relocated into the newly created space at Newton South.

For this report, the Chairman did not go into detail regarding the questions and answers during the discussion. However, the Chairman requested the Committee Clerk create a minimum of three copies of the discussion (approximately an hour and forty minutes) of discussion by the Committee.

The tapes will be made available to any Alderman who would like to listen to the actual discussion which took place. It is the Chairman's assumption that due to the nature of this item, that item will be second called and each Alderman will have the opportunity to discuss any issues that they feel they need to address in their own words during the debate. The importance of the backup information being supplied, it is the most current information regarding the bond plan. There is a copy of the bond authorization document, which has already been approved by the City's bond council and information in Sandy Pooler's plan. There is also the latest information regarding the SBAB. If the set of working drawings is given to the State by June 1st, there is every indication that both these projects, at the levels of design which were submitted by Carl Franceschi and Nick Parnell, that we should receive an award from the SBAB in acceptance of these projects as priority II projects. This would mean that they are identified as the second highest priority and that they will be put on the funding schedule for SBAB somewhere out three years from the time that the City begins its construction work.

The Chairman called attention to the four attachments to the Finance Report and asked that they be brought to the Full Board Meeting on Tuesday, April 17th in case reference is made to them during presentation to the Full Board by the Committee Chairman. Once again, the discussion that the Committee had is on tape and copies of the tape are available for various Aldermen who might wish to hear the discussion.

After the Committee heard the presentation, obviously the biggest concern that the Board has is that in the event the SBAB formula changes, or the commitment for refunding the monies to the City is delayed, the City will have short term borrowed close to \$40,000,000 prior to any potential indication of non-commitment by the SBAB will be realized. Therefore, the Committee was very concerned that the appropriate oversight committees and submission of monthly reports by the architects and the City to the Board of Aldermen be maintained so that in the event any problems arise, we can stop at that point and re-assess the City's work as it relates to the continuation of these projects. The Committee could not restate enough times to the Executive Department the importance of inclusion with the members of the Board of Aldermen on the oversight team and the team dealing with the day-to-day funding analysis of these programs in order to identify cost overruns and assess the information as it occurs.

With these commitments agreed to by the Executive Department, the Committee felt that, with the back up information that was present and with the hopes that the final plans will be prepared and submitted to the City for review, prior to June 1st in the hopes that a complete set of plans would be sent in and approved by the SBAB before any funds are borrowed for this project, which is a requirement under the ordinance governing Design Review and the passage of Capital Plans as pointed out by Alderman Salvucci. It is very important that we proceed and have the mechanism in place, for the funding in order for the City to even consider going out to public bid on Phase I, which is construction of the thirty-seven classrooms. With that in mind, and with the importance of getting the funding in place to even begin the process, a motion was made by Alderman Schnipper to approve docket item 268-00(B) subject to the bond authorization letter, which was submitted by the Executive Department (Attachment 3). The Committee once again quickly reviewed the bond authorization letter, the motion was approved 4-0 (Gerst, Coletti, Schnipper & Parker), 1 abstention (Ald. Bullwinkle)

REFERRED TO PROG. & SERV, PUB. FAC. AND FINANCE COMMITTEES

#268-00(3) HIS HONOR THE MAYOR requesting authorization to appropriate and expend \$175,000 to lease four modular classrooms for Newton South High School.

PUBFAC APPROVED 7-0 ON 3-21-01

PROG. & SERV. APPROVED 5-0 ON 3-28-01

ACTION: APPROVED 5-0

NOTE: This item was taken up by both Public Facilities and Programs & Services. A letter dated February 9th was sent to the Committee for backup, it regards the Design Review Committee's discussing the recommendation to temporarily site four modular classrooms. This money is to come from the one million dollar Capital Stabilization Fund, which was set up the end of last year. Right now there is currently 1,180,933 in this fund which was given to us last year in advance (SBAB reimbursement money). Basically while the kids are being moved around at the school during the construction of the thirty-seven classroom addition on the back of the building, there will be a need to relocate some of the students who are in the wing closest to where the construction will take place in the first phase, and therefore the four modular classrooms will be leased for one year and will be sited along Brandeis Road at the end of Wheeler House Common. The entire cost for the lease of these four classrooms which will not contain plumbing or bathrooms, is \$175,000. In order to purchase these moduls it would cost us close to \$700,000, so it was determined since they'll only be needed for a short period of time that a lease would be the most cost effective way of providing this temporary space.

The Committee asked a couple of questions to Nick Parnell, where about the location of the classrooms and the cost of the classrooms. The Committee was very comfortable with the requirement to get them and the fact that they would be sited in the approval's of the siting of the Design Review Committee and provided the incentive to move approval of this item. The item was moved in Committee and approved 5-0.

All other items were held. The Committee adjourned at approximately 10:30 p.m.

Respectfully Submitted,

Paul E. Coletti, Chairman